

Maxis (MAXIS MK)

4Q25: In Line; Robust Earnings Driven By Cost Discipline

Highlights

- Maxis recorded robust 4Q25 results, with core net profit of RM380m (+18% yoy; -8% qoq), underpinned by cost discipline, operational efficiencies and higher service and enterprise revenue base. This brings 2025 net profit to RM1,561m (+12% yoy), in line with expectations.
- The group declared a final interim DPS of 4 sen/share, and a special 1.5 sen/share DPS for 4Q25. This brings full-year 2025 net DPS to 17.5 sen/share (2024: 17.0 sen/share), translating to a net dividend yield of 4.6%.
- Maintain HOLD with a DCF-based target price of RM4.20.

4Q25 Results

Year to 31 Dec (RMm)	4Q25	qoq % chg	yoy% chg	2025	yoy % chg
Revenues	2,876	11.1	3.8	10,635	0.9
Reported EBITDA	1,078	(2.2)	9.6	4,329	5.0
EBITDA Margin (%)	37	(5.1)	2.0	40.7	1.6
Pre-tax profits	486	(10.7)	13.6	2,067	10.1
Net profit	380	(7.8)	18.4	1,561	11.8
Core Net profit	380	(7.8)	18.4	1,561	11.8
EPS (sen)	4.8	(9.4)	17.1	19.9	11.8
DPS (sen)	5.5	37.5	10.0	17.5	2.9
Subscribers ('000)	10,777	1.1	2.8		
Cost Structure (% of revenue)	4Q24	1Q25	2Q25	3Q25	4Q25
Traffic, commissions & other direct costs	52.5%	46.6%	41.5%	42.3%	54.7%
Network & Spectrum	10.1%	9.6%	9.7%	9.5%	9.3%
Resource	10.0%	9.2%	9.5%	8.6%	7.4%
O&M	5.5%	4.7%	5.0%	5.3%	5.1%
Marketing	2.1%	1.9%	1.9%	2.0%	2.1%

Source: Maxis, UOB Kay Hian

Analysis

- 2025 results within expectations.** Maxis reported 4Q25 core net profit of RM380m (+18% yoy; -8% qoq). While revenue continue to climb on the back of strong postpaid and enterprise performance, qoq earnings were dragged by an increase in device costs (associated with higher device revenue) and roaming traffic, reflecting year-end seasonality. This brings 2025 core net profit to RM1,561m (+12% yoy), driven by cost discipline and efficiencies from digitalisation and network optimisation exercises. Results are in line with house and street's expectations.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	10,536.0	10,635.0	10,966.5	11,569.9	12,115.2
EBITDA	4,122.0	4,329.0	4,441.6	4,431.3	4,632.6
Operating profit	2,324.0	2,499.0	2,540.2	2,597.0	2,821.6
Net profit (rep./act.)	1,396.0	1,561.0	1,618.6	1,703.3	1,901.8
Net profit (adj.)	1,396.0	1,561.0	1,618.6	1,703.3	1,901.8
EPS	17.8	19.9	20.7	21.7	24.3
PE	21.5	19.2	18.5	17.6	15.8
P/B	5.1	4.9	4.7	4.5	4.3
EV/EBITDA	9.4	8.9	8.5	8.4	7.9
Dividend yield	4.4	4.6	4.6	4.8	5.4
Net margin	13.2	14.7	14.8	14.7	15.7
Net debt/(cash) to equity	149.4	138.6	119.8	105.8	95.3
Interest cover	4.5	4.9	4.8	4.6	4.9
ROE	23.6	25.4	25.3	25.6	27.4
Consensus net profit	-	-	1,615.0	1,680.0	1,929.0
UOBKH/Consensus (x)	-	-	1.0	1.0	1.0

Source: Maxis, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	RM3.83
Target Price	RM4.20
Upside	+9.7%

Analyst(s)

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Stock Data

GICS Sector	Communication Services
Bloomberg ticker	MAXIS MK
Shares issued (m)	7,835.1
Market cap (S\$m)	30,008.4
Market cap (US\$m)	7,694.1
3-mth avg daily t'over (US\$m)	2.5

Price Performance (%)

52-week high/low				RM4.36/RM3.11
1mth	3mth	6mth	1yr	YTD
(3.3)	(7.7)	11.0	10.1	1.1

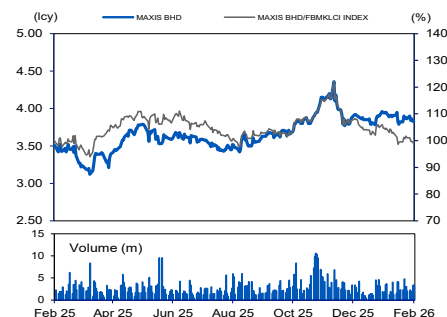
Major Shareholders

	%
Binariang GSM Sdn Bhd	62.2
Employees Provident Fund	13.4
Skim Amanah Saham	10.4

Balance Sheet Metrics

	%
FY26F NAV/Share (RM)	0.82
FY26F Net Debt/Share (RM)	0.98

Price Chart



Source: Bloomberg

Company Description

Mobile operator in Malaysia, providing 4G and 5G services.

- **Declares 5.5 sen net DPS for 4Q25.** Maxis declared a fourth interim net DPS of 5.5 sen/share; bringing full-year 2025 net DPS to 17.5 sen/share (2024: 17.0 sen/share).
- **4Q25 postpaid seasonally higher.** Postpaid revenue rose 3% qoq and yoy respectively to RM976m. This was mainly supported by a net addition of 62,000 postpaid subscribers and ARPU uplift to RM71.70/month (3Q25: RM70.80/month). The key drivers were Maxis' effective pre-to-post conversion strategy and a seasonal roaming revenue uptick.
- **Prepaid revenue reported a sequential growth** of +1% qoq but dropped 3% yoy to RM624m. ARPU was stable at RM36.00/month (3Q25: RM35.80/month) as Maxis continues its upselling initiatives, particularly higher-value internet plans and tailored packages. This drove 49,000 net subscriber additions in the quarter.
- **Momentum in enterprise business, with solid pipeline.** Enterprise revenue rose 4% yoy and 6% qoq to RM442m, with increased execution of wholesale projects and sale of bandwidth for data centre fibre connection. The segment's outlook remains healthy, supported by steady contributions from ongoing and newly secured contracts in 4Q25, which are expected to mitigate earnings volatility arising from non-recurring projects.

Valuation/Recommendation

- **Maintain HOLD with a DCF-based target price of RM4.20** (discount rate: 7%; growth: 3%). At our target price, the stock trades at 9.1x 2026F EV/EBITDA (mean valuation of 10.0x). The stock offers a decent dividend yield of 4.7%.

Earnings Revision/Risk

- No change to earnings.
- **2026 guidance.** The group presented a conservative guidance with expectations of elevated capex (expected to be >RM1b) as the company works on its fibre footprint expansion (for both consumer and enterprise/data centre connectivity).

Environmental, Social, Governance (ESG)

Environmental

- Implementation of waste management protocols has successfully led to a commendable 78% recycling rate on total waste generated (88% for network waste, 26% for marketing materials and 12% for office waste).

Social

- Entrepreneur development through its eKelas® Usahawan benefitted 4,483 entrepreneurs and micro-SMEs in 2024 involving digital marketing with additional focus on underserved areas.
- Community outreach involving 3,440 hours of employee volunteering and providing humanitarian relief during natural disasters amounting to RM2.2m in 2024.
- Good company transparency along with an anti-bribery and anti-corruption policy.

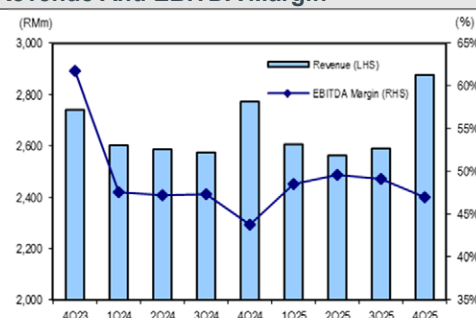
Performance Guidance For 2026

Guidance for FY26



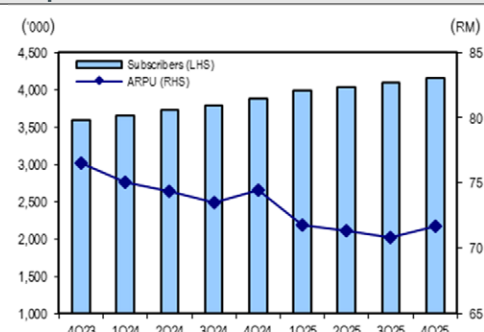
Source: Maxis, UOB Kay Hian

Revenue And EBITDA Margin



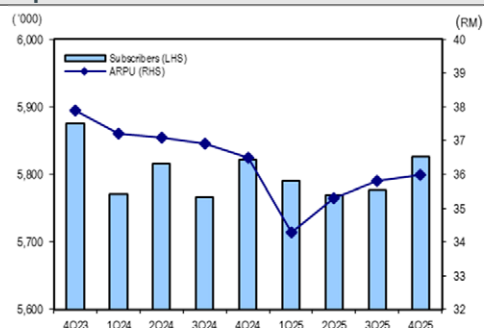
Source: Maxis, UOB Kay Hian

Postpaid Trend



Source: Maxis, UOB Kay Hian

Prepaid Trend



Source: Maxis, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	10,635.0	10,966.5	11,569.9	12,115.2
EBITDA	4,329.0	4,441.6	4,431.3	4,632.6
Deprec. & amort.	(1,830.0)	(1,901.4)	(1,834.3)	(1,811.0)
EBIT	2,499.0	2,540.2	2,597.0	2,821.6
Total other non-operating income	(432.0)	(398.9)	(347.7)	(314.0)
Net interest income/(expense)	2,067.0	2,141.3	2,249.3	2,507.6
Pre-tax profit	(506.0)	(524.2)	(550.6)	(613.9)
Tax	-	-	-	-
Net profit	1,561.0	1,617.1	1,698.7	1,893.7
Net profit (adj.)	1,561.0	1,617.1	1,698.7	1,893.7

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	3,583.0	3,955.6	4,092.1	4,106.1
Pre-tax profit	2,067.0	2,141.3	2,249.3	2,507.6
Tax	(506.0)	(524.2)	(550.6)	(613.9)
Deprec. & amort.	1,830.0	1,901.4	1,834.3	1,811.0
Associates	-	-	-	-
Working capital changes	(75.0)	38.2	211.5	87.4
Other operating cashflows	267.0	398.9	347.7	314.0
Investing	(1,156.0)	(1,253.7)	(1,574.5)	(1,628.6)
Capex (maintenance)	(1,316.0)	(1,316.0)	(1,677.6)	(1,756.7)
Proceeds from sale of assets	-	-	-	-
Others	160.0	62.3	103.1	128.1
Financing	(2,432.0)	(2,107.3)	(2,121.4)	(2,267.7)
Distribution to unitholders	(1,371.1)	(1,423.0)	(1,494.8)	(1,666.5)
Issue of shares	-	-	-	1.0
Proceeds from borrowings	(305.0)	(223.1)	(175.8)	(159.1)
Others/interest paid	(755.9)	(461.2)	(450.8)	(443.1)
Net cash inflow (outflow)	(5.0)	594.6	396.2	209.8
Beginning cash & cash equivalent	453.0	448.0	1,042.6	1,438.7
Changes due to forex impact	-	-	-	-
Ending cash & cash equivalent	448.0	1,042.6	1,438.7	1,648.6

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	5,022.0	4,436.6	4,280.0	4,225.7
Other LT assets	14,319.0	14,319.0	14,319.0	14,319.0
Cash/ST investment	458.0	1,052.6	1,448.7	1,658.6
Other current assets	2,723.0	2,838.6	2,994.7	3,135.7
Total assets	22,522.0	22,646.8	23,042.4	23,338.9
ST debt	1,886.0	1,886.0	1,886.0	1,886.0
Other current liabilities	4,694.0	4,847.8	5,215.4	5,443.7
LT debt	7,094.0	6,870.9	6,695.1	6,536.0
Other LT liabilities	2,701.0	2,701.0	2,701.0	2,701.0
Shareholders' equity	6,147.0	6,341.0	6,544.9	6,772.1
Minority Interest	-	-	-	-
Total liabilities & equity	22,522.0	22,646.8	23,042.4	23,338.9

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	40.7	40.5	38.3	38.2
Pre-tax margin	19.4	19.5	19.4	20.7
Net margin	14.7	14.7	14.7	15.6
ROA	6.9	7.1	7.4	8.1
ROE	25.4	25.5	26.0	28.0
Growth				
Turnover	0.9	3.1	5.5	4.7
EBITDA	5.0	2.6	(0.2)	4.5
Pre-tax profit	10.1	3.6	5.0	11.5
Net profit	11.8	3.6	5.0	11.5
Net profit (adj.)	11.8	3.6	5.0	11.5
EPS	11.8	3.6	5.0	11.5
Leverage				
Debt to total capital	0.6	0.6	0.5	0.5
Debt to equity	1.5	1.4	1.3	1.2
Net debt/(cash) to equity	1.4	1.2	1.1	1.0
Interest cover (x)	4.9	4.9	4.7	4.9

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